

**THE OREGON FIRE DISTRICT DIRECTORS ASSOCIATION**

**LENGTH OF SERVICE AWARD PLAN**

**FOR VOLUNTEERS**

**PLAN DOCUMENT**

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\_\_\_\_\_  
**(NAME OF DISTRICT)**

The DISTRICT hereby adopts this **Length of Service Award Plan for Volunteers** which consists of the provisions set forth in this document, and is applicable to each VOLUNTEER who becomes a PARTICIPANT in the PLAN. The PLAN is effective as to each PARTICIPANT upon the date he or she becomes eligible and files with the ADMINISTRATOR, or its designee, a completed APPLICATION referred to herein.

**ARTICLE I  
Definitions**

**1.01** The following terms shall, for purposes of this PLAN, have the meaning set forth below:

- a. ADMINISTRATOR means the Oregon Fire District Directors Association, a Section 501(c)(3) Oregon not-for-profit corporation, appointed by the DISTRICT to administer the PLAN.
- b. ADOPTION AGREEMENT means the agreement setting forth the choices made by the DISTRICT in the implementation of the PLAN.
- c. APPLICATION means the VOLUNTEER 's application to the ADMINISTRATOR, or its designee, to become a PARTICIPANT in the PLAN.
- d. BENEFICIARY means the person properly designated by a VOLUNTEER to receive benefits under the PLAN in the event of a VOLUNTEER 's death.
- e. CODE means the Internal Revenue Code of 1986, as amended.
- f. CONTRIBUTION means the funds transferred to the TRUSTEES by a DISTRICT pursuant to the PLAN.

- g. CONTRIBUTION FORMULA means the formula adopted by the DISTRICT to determine the CONTRIBUTION amount for each PARTICIPANT for each PLAN YEAR.
- h. DISTRIBUTION DATE means the date no later than 90 days after a VOLUNTEER experiences SEPARATION from VOLUNTEER SERVICE, as determined from time to time by the ADMINISTRATOR.
- i. DISTRICT means the district or named fire department at the beginning of this PLAN, or any of its agencies, departments, sub-divisions, or instrumentalities designated by the DISTRICT.
- j. INVESTMENT PROVIDER means the company, which has been selected by the ADMINISTRATOR to invest contributions on behalf of the TRUSTEES.
- k. LEAVE OF ABSENCE means a temporary suspension of service by a VOLUNTEER who has been granted a suspension of active membership in accordance with the established membership rules and criteria of the DISTRICT, or a year in which a VOLUNTEER is a member of the Board of Directors of the District.
- l. PARTICIPANT means a VOLUNTEER who has satisfied the requirements for participation in the PLAN.
- m. PARTICIPANT ACCOUNT means an account established for the benefit of a PARTICIPANT which is maintained under the PLAN.
- n. PARTICIPANT ACCOUNT VALUE means the fair market value of the PARTICIPANT ACCOUNT as of a particular time.
- o. PLAN means this Length of Service Award Plan for Volunteers as set forth in this document, as amended from time to time.
- p. PLAN YEAR means the fiscal year in which the PLAN is adopted by the DISTRICT and each succeeding fiscal or calendar year during the existence of the PLAN.
- q. SEPARATION FROM VOLUNTEER SERVICE means the first anniversary of the date at which the VOLUNTEER ceases active status with the DISTRICT as defined by the DISTRICT's criteria, but does not include a LEAVE OF ABSENCE.

- r. TRUST means the Oregon Fire District Directors Association Length of Service Award Plan Declaration of Trust, entered into by the DISTRICT in connection with the PLAN.
- s. TRUST ASSETS means the assets pursuant to the Trust Agreement of the TRUST, including CONTRIBUTIONS and all earnings and profits on CONTRIBUTIONS.
- t. TRUSTEE means the trustee or trustees under the TRUST, and any duly appointed successor trustee or trustees.
- u. VESTING means the PARTICIPANT's completion of a sufficient amount and character of service with the DISTRICT, under criteria set by the DISTRICT from time to time, that the PARTICIPANT becomes entitled to a future award under the PLAN. A VESTED AWARD is one to which the PARTICIPANT is entitled under VESTING criteria.
- v. VOLUNTEER means any person having, or formerly having, a relationship with the DISTRICT as a volunteer firefighter, as defined in ORS 238.005(23) pursuant to established volunteer criteria developed by the DISTRICT.

## ARTICLE II Purpose and Goals of the PLAN

**2.01** The purpose of the PLAN is to provide the VOLUNTEERS of the DISTRICT with an award in order to recognize their contribution to community welfare.

**2.02** The goals of the PLAN are to:

- a. Encourage the active involvement by each VOLUNTEER in the activities of the DISTRICT to improve community welfare through increased training and competency of the volunteer fire service;
- b. Conserve DISTRICT resources by retention of VOLUNTEERS in volunteer training programs in which the DISTRICT invests substantial resources and to retain qualified and trained VOLUNTEERS in the DISTRICT; and
- c. Assist in the recruitment of new VOLUNTEERS.

**2.03** This PLAN is intended to be a Length of Service Award Plan as defined in Code Section 457(e)(11) and is to be interpreted in every instance consistently with the requirements of such Section.

**ARTICLE III  
Administrator: Appointment and Responsibilities**

- 3.01** The Oregon Fire District Directors Association is the ADMINISTRATOR of the Plan.
- 3.02** The Administrator shall have the responsibility for the following:
- a. To appoint (or arrange for the appointment of) and, when necessary, remove TRUSTEES of the TRUST;
  - b. To select, appoint and remove the INVESTMENT PROVIDER;
  - c. To assist the TRUSTEES in providing the Annual Trustee 's Report to DISTRICTS; and
  - d. To interpret the PLAN provisions in the event of ambiguity of any provision and to resolve any question of fact necessary to determine participation, vesting, or awards under the PLAN.
- 3.03** The ADMINISTRATOR, in its sole discretion, may delegate the administration of the PLAN to others.
- 3.04** Should the ADMINISTRATOR be at any time unwilling or unable to serve, it shall appoint a successor ADMINISTRATOR. In the event that no successor ADMINISTRATOR is appointed, the PLAN will be terminated.

**ARTICLE IV  
Participation**

- 4.01** A VOLUNTEER who meets the following requirements is entitled to become a PARTICIPANT under the PLAN.
- a. A VOLUNTEER must have been a member in good standing of the DISTRICT 's volunteer service for a period of years specified in the DISTRICT 's ADOPTION AGREEMENT;
  - b. The VOLUNTEER has met the Participation Requirements set forth in the DISTRICT 's Adoption Agreement;
  - c. The VOLUNTEER has attained at least 18 years of age;
  - d. The VOLUNTEER is not serving as a member of the Board of Directors of the DISTRICT for the PLAN YEAR; and

e. The VOLUNTEER has executed such documents and agreements as required by the DISTRICT and the ADMINISTRATOR, including but not limited to a release from liability and acknowledgment of the DISTRICT's right to terminate the PLAN at any time.

**4.02** Notwithstanding the general prohibition on amendment contained in Section 8.01, the DISTRICT may amend the Participation Requirements from time to time by executing a new ADOPTION AGREEMENT and such amendments shall apply only to service for PLAN YEARS beginning after the year of the execution of the new ADOPTION AGREEMENT.

**4.03** Nonconsecutive years to be counted toward eligibility must be in connection with a LEAVE OF ABSENCE by a VOLUNTEER.

**4.04** The VOLUNTEER must make APPLICATION to the ADMINISTRATOR establishing eligibility to become a PARTICIPANT in the PLAN. The VOLUNTEER will become a PARTICIPANT upon the ADMINISTRATOR's acceptance and approval of such APPLICATION.

**4.05** A PARTICIPANT shall continue as a PARTICIPANT until the earliest date on which any of the following events occur:

- a. The DISTRICT terminates its participation in the PLAN;
- b. A PARTICIPANT notifies the ADMINISTRATOR in writing that he or she no longer wishes to participate in the PLAN;
- c. The PARTICIPANT is no longer eligible to participate in the PLAN; or
- d. All amounts to which the PARTICIPANT is entitled have been distributed to him or her.

#### **ARTICLE V** **Contributions**

**5.01** The DISTRICT may authorize and make Contributions to the PLAN for any PLAN YEAR attributable to PARTICIPANTS in accordance with the CONTRIBUTION FORMULA adopted by the DISTRICT and memorialized in the DISTRICT's ADOPTION AGREEMENT. Notwithstanding the general prohibition on amendment of the PLAN contained in section 8.01, the DISTRICT may amend the CONTRIBUTION FORMULA

from time to time by executing a new ADOPTION AGREEMENT and amendments shall apply only to contributions for PLAN YEARS beginning after the year of the execution of the new ADOPTION AGREEMENT.

**5.02** The DISTRICT has no obligation to make CONTRIBUTIONS with respect to the PLAN for any PLAN YEAR.

**5.03** The DISTRICT shall forward CONTRIBUTIONS to the ADMINISTRATOR, or its designee.

**5.04** In no event may a DISTRICT contribute more than \$3,000 for any one PARTICIPANT under the PLAN for any PLAN YEAR. Contributions in excess of this limit will be void ab initio and will be returned to the DISTRICT.

**5.05** Any right of a VOLUNTEER or BENEFICIARY to a VESTED AWARD under the PLAN shall be that of a general creditor of the DISTRICT, and shall be limited to the PARTICIPANT ACCOUNT VALUE.

## ARTICLE VI

### Investment of Contributions

**6.01** Only the DISTRICT shall have the authority to direct the investment of the contributions among the investment choices available from the INVESTMENT PROVIDER and approved by the TRUSTEES, and the DISTRICT acknowledges and takes sole responsibility for ensuring that the investment choices it makes are legal under Oregon and federal law and that the decision is a reasonable exercise of its duty to make investments for the DISTRICT.

**6.02** The ADMINISTRATOR shall provide forms for PARTICIPANTS to designate their investment preferences among choices available from the INVESTMENT PROVIDER. The DISTRICT may take these preferences into consideration in its choice of investment, but PARTICIPANT investment preferences shall not be binding on the DISTRICT's choice of investment of its contributions. The DISTRICT authorizes PARTICIPANTS to communicate with the INVESTMENT PROVIDER to effectuate the DISTRICT's choice of investments.

**6.03** In forwarding a contribution to the ADMINISTRATOR, the DISTRICT shall provide instructions on the proper allocation of the contribution among the available investment choices of the INVESTMENT PROVIDER. The ADMINISTRATOR shall provide forms for the DISTRICT to designate its investment choices among those available from the INVESTMENT PROVIDER.

**6.04** All interest, dividends, charges for premiums, withdrawal fees and administrative expenses and all changes in value due to market fluctuations applicable to each VOLUNTEER ACCOUNT shall be credited or debited to the account in accordance with the usual practices of the INVESTMENT PROVIDER.

**6.05** All assets of the PLAN, including all CONTRIBUTIONS, property and rights purchased with CONTRIBUTIONS, and all income attributed to such CONTRIBUTIONS, property and rights, shall remain, until distributed to the VOLUNTEER or BENEFICIARY, solely the property and rights of the DISTRICT, with legal title held by the TRUSTEES pursuant to the TRUST. TRUST ASSETS are subject to the claims of creditors of the DISTRICT. Contracts and other evidences of the investments of TRUST ASSETS shall be registered in the name of the TRUSTEE or TRUSTEES.

## ARTICLE VII Awards

**7.01** A PARTICIPANT shall become eligible for a future award only upon VESTING. A VESTING schedule is adopted by the DISTRICT as part of this PLAN and is incorporated into the PLAN in the DISTRICT's ADOPTION AGREEMENT. Notwithstanding the prohibition on amendment of the PLAN contained in Section 8.01, the DISTRICT may from time to time amend its ADOPTION AGREEMENT, and such amendments shall apply only to unvested awards and to PLAN YEARS beginning after the date of the execution of the new ADOPTION AGREEMENT.

a. In order for a year accruing after the adoption of the PLAN to be counted toward vesting, the PARTICIPANT must meet the Participation Requirements described in the DISTRICT's ADOPTION AGREEMENT, as amended from time to time by the DISTRICT.

b. The DISTRICT may choose to give a PARTICIPANT credit toward VESTING for membership in good standing in the volunteer service of the DISTRICT prior to adoption of the PLAN on the basis of one year of credit for every two (2) years of prior membership, but at least three (3) of the years of the VESTING period must be earned after the date of adoption of the PLAN. The DISTRICT indicates its choice with respect to prior credit on its ADOPTION AGREEMENT.

c. In the discretion of the DISTRICT, the DISTRICT may choose to give a PARTICIPANT credit toward vesting for membership in good standing in the volunteer service of a different Oregon special district or fire department, if such other district recognizes, in writing, a reciprocal extension of time toward vesting.



**7.02** Should a PARTICIPANT experience SEPARATION FROM VOLUNTEER SERVICE prior to VESTING, the PARTICIPANT shall forfeit all interest in the VOLUNTEER ACCOUNT established for such PARTICIPANT, including any Contributions made, or earnings credited, on his or her behalf. Such amounts will accrue to PARTICIPANTS during the next PLAN YEAR on a per capita basis.

**7.03** The amount of the award for any particular PARTICIPANT is the VOLUNTEER ACCOUNT VALUE that is VESTED at the DISTRIBUTION DATE for that PARTICIPANT.

**7.04** The TRUSTEES will make distributions of the award to the VOLUNTEER upon the DISTRIBUTION DATE.

**7.05** The TRUSTEES will make the award in a lump sum unless, at least 30 days prior to the DISTRIBUTION DATE, the VOLUNTEER designates in writing to the ADMINISTRATOR the choice of another payment mode among those then available. The VOLUNTEER cannot change this payment mode designation once it is made.

**7.06** If a PARTICIPANT dies before receiving the full amount of a VESTED AWARD under the PLAN, the balance of the award shall be paid to his or her designated BENEFICIARY, or in the absence of a designated BENEFICIARY, to the estate of the PARTICIPANT.

a. Each PARTICIPANT shall file with the ADMINISTRATOR a written BENEFICIARY form designating the person or persons who shall receive awards payable under the PLAN in the event of the PARTICIPANT's death.

b. The ADMINISTRATOR will make a lump sum distribution to the BENEFICIARY on or before 125 days after the PARTICIPANT's death, unless the BENEFICIARY properly designates another payment mode from among the options then available. An election concerning the mode of payment shall be filed by the BENEFICIARY either (i) at least 30 days prior to the date elected for the commencement of awards; or (ii) within 120 days following the PARTICIPANT's death, whichever is later. The distribution commencement date must be at least five (5) days following the date on which the election as to the time of payment is filed with the ADMINISTRATOR. The election as to the mode of payment shall not be changed once made.

#### **ARTICLE VIII**

##### **Amendment and Termination of the PLAN**

**8.01** The DISTRICT may not amend the PLAN without the prior written consent of the ADMINISTRATOR.

**8.02** The DISTRICT may amend its ADOPTION AGREEMENT. It shall forward the amended ADOPTION AGREEMENT to the PLAN ADMINISTRATOR. All changes will be effective on the first day of the PLAN YEAR following the date of execution of the amended ADOPTION AGREEMENT.

**8.03** The ADMINISTRATOR may from time to time propose amendments to the PLAN. Amendments presented to the DISTRICT by the ADMINISTRATOR shall become effective 45 days after the date the ADMINISTRATOR sends the amendments, with an explanation thereof, to the DISTRICT.

**8.04** The DISTRICT may not amend its Adoption Agreement to deprive a VOLUNTEER or BENEFIICIARY of a VESTED award.

**8.05** The DISTRICT may terminate its participation in the PLAN at any time without the consent of the ADMINISTRATOR or of any VOLUNTEER, PARTICIPANT, BENEFIICIARY, or any other person. The DISTRICT will provide written notice to the ADMINISTRATOR and the TRUSTEES of PLAN termination within 30 days of DISTRICT action terminating the PLAN. The DISTRICT will be entitled to a return of its TRUST ASSETS, less a termination fee as established from time to time by the TRUSTEES, within 90 days of the receipt of notification by the ADMINISTRATOR. The termination fee is in addition to any withdrawal fees imposed by the INVESTMENT PROVIDER, and shall be payable to the ADMINISTRATOR.

**8.06** Upon termination of its participation in the PLAN, a DISTRICT shall return to the ADMINISTRATOR all PLAN documents and related material, and shall no longer use these documents in any manner.

**8.07** Upon termination of its participation in the PLAN, a DISTRICT shall be solely responsible for making all payments to VOLUNTEERS or their BENEFIICIARIES of VESTED AWARDS from the date of termination. The DISTRICT shall release the TRUSTEES and ADMINISTRATOR from any obligation to make such payments, and shall hold the TRUSTEES and ADMINISTRATOR harmless from any obligation to a VOLUNTEER after the date of PLAN termination.

**8.08** In the event of a merger or consolidation in which the DISTRICT participates under ORS 198.885 or 198.890, TRUST ASSETS shall be considered an asset to which a surviving or successor district shall succeed, and the PLAN shall be considered an obligation to which the surviving or successor district shall become liable. Should the participants in the merger or consolidation have PLANS with different provisions, the successor or surviving district shall honor all vested awards to VOLUNTEERS in accordance with the PLANS, and the districts shall undertake the process of conforming the PLAN provisions with respect to unvested awards. Should the districts be unable to

agree within 90 days prior to the merger or consolidation as to conformity of PLAN provisions, the ADMINISTRATOR shall appoint an arbitrator to determine the appropriate PLAN provisions for the surviving or successor district.

**8.09** In the event the ADMINISTRATOR deems the Length of Service Award Program no longer to be viable as a whole, it will inform the DISTRICT in writing of its intent to terminate the program as of a specified date. Within 90 days after the date of termination, the DISTRICT's TRUST ASSETS will be returned to the DISTRICT, with no withdrawal or termination fees other than those imposed by the INVESTMENT PROVIDER. The DISTRICT will return all PLAN documents and related material upon termination of the PLAN.

## **ARTICLE IX Administration of the PLAN**

**9.01** Participation in this PLAN by a VOLUNTEER shall not be construed to give a contract of employment to the VOLUNTEER or to alter or amend an existing volunteer status, nor shall participation in the PLAN be construed as offering to the VOLUNTEER any representation or guarantee regarding his or her continued volunteer status.

**9.02** Neither the DISTRICT nor the ADMINISTRATOR represent or guarantee that any particular Federal or State income, payroll, personal property, or other tax consequence will occur because of the VOLUNTEER's participation in the PLAN.

**9.03** The laws of the state of the Oregon shall apply in determining the construction and validity of the PLAN.

**9.04** Any rights of the VOLUNTEER or BENEFICIARY under this PLAN shall not be subject to the claims of creditors of the VOLUNTEER or any BENEFICIARY, and shall be exempt from execution, attachment, prior assignment or any other judicial relief or order for the award to creditors or third persons.

**9.05** PARTICIPANTS and BENEFICIARIES shall not have the right to commute, sell, assign, pledge, encumber, transfer or otherwise convey the right to receive any payments hereunder. These payments and rights to payments are expressly declared to be nonassignable and nontransferable.

**9.06** This PLAN and any properly adopted amendments, shall be binding upon the parties thereto and their respective heirs, administrators, trustees, successors and assignees.

**9.07** The ADMINISTRATOR is authorized to resolve any ambiguities in the PLAN and

to resolve any questions of fact necessary to determine eligibility, participation, and awards under the PLAN.

a. If the DISTRICT disagrees with the ADMINISTRATOR's interpretation of the PLAN or the application of the PLAN to a particular situation, and that disagreement cannot be resolved through consultation with the ADMINISTRATOR, the dispute shall be resolved as provided in this section.

b. Negotiation Between Administrator and District Staff. The Administrator and District Staff will attempt in good faith to resolve any dispute arising out of or related to the Plan promptly through negotiation between the respective parties' designated staff. Either may give the other verbal or written notice of any dispute, and within seven (7) days after delivery of the notice by first-class mail to the appropriate party, the receiving party will contact the reporting party promptly, either verbally or in writing to address the issue. If the issue can not be resolved at that time, the designated individuals will meet in person or telephonically at a mutually acceptable time, and thereafter as often as they reasonably deem necessary, to attempt to resolve the dispute. Reasonable requests for information made by one party to the other will be honored.

c. Negotiation with OFDDA President. If the matter has not been resolved within 30 days of using the procedure discussed above, the District may deliver a written notice by first-class mail stating its position, and a summary of the arguments supporting that position, to the OFDDA President for further review and determination. The OFDDA President will have 14 days to schedule a time and place agreeable to all parties to resolve the dispute. Reasonable requests for information made by one party to the other will be honored.

d. Any dispute or claim between the parties that arises out of or that relates to this Agreement, or to the interpretation or breach thereof, that cannot be resolved through the procedure contained in Section 9.07(a)-(c), will be resolved by the OFDDA Board of Directors, and its determination shall be final and binding on all interested parties.

**9.08** Should any section or sections of the PLAN be adjudged unenforceable, such unenforceability shall not affect the enforceability of the remaining sections, which shall be given full force and effect in accordance with the terms of the PLAN.

**ARTICLE X**  
**Effective Date**

This PLAN shall be effective on the date and year written below.

IN WITNESS WHEREOF, the undersigned have executed this PLAN this \_\_\_\_ day of \_\_\_\_\_, 200\_.

NAME OF DISTRICT: \_\_\_\_\_

BY: \_\_\_\_\_  
ITS: \_\_\_\_\_

ADMINISTRATOR: OREGON FIRE DISTRICT DIRECTORS ASSOCIATION

BY: \_\_\_\_\_  
ITS: \_\_\_\_\_